

**Transcript of Remarks by Senate Budget Committee Chairman Kent Conrad (D-ND)  
at Hearing on President Obama's Energy Budget with Energy Secretary Steven Chu  
March 11, 2009**

Opening Statement

I want to welcome Secretary Chu here to the Senate Budget Committee. Welcome. Good to have you here.

Secretary Chu is one of the nation's leading scientists. In 1997, he was a co-winner of the Nobel Prize for Physics. Prior to his nomination by President Obama, he was director of the Department of Energy's Lawrence Berkeley National Lab, and a professor of Physics and Molecular and Cell Biology at the University of California. As a proud graduate of Stanford, we still respect the University of California – I want to assure you of that. At Lawrence Berkeley, he steered the lab's efforts in pursuit of new alternative and renewable energies, so he is ideally suited to lead the Department of Energy at this time. We are pleased that Secretary Chu could join us and we look forward to his testimony.

I don't believe it has ever been more clear that our nation's economic and national security are directly linked to our energy policy. We simply must address our nation's addiction to foreign oil and confront the challenge of global climate change. And in the process we can create new green jobs focused on alternative energy and energy efficiency that will help our nation's economy recovery.

The fact is, we are still dangerously dependent on foreign oil. In 1985, we imported only 27 percent of our petroleum. We now import almost 60 percent of the petroleum that we use. As a result, we are becoming increasingly vulnerable to oil supply disruptions and instability in other parts of the world.

This addiction to foreign oil is a direct threat to our national security. Many of the countries from which we import petroleum are in unstable or unfriendly regions. Here is a list of the top 15 countries exporting petroleum to the United States in 2008 and the number of barrels of oil we import in a single day. You can see that we import large quantities of oil from countries like Saudi Arabia, Venezuela, Nigeria, Angola, Iraq, Algeria, and Colombia.

We also must address climate change. The scientific consensus is clear. Here are the conclusions of the Intergovernmental Panel on Climate Change, and I quote: "Warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice and rising global average sea level.... Continued [greenhouse gas] emissions at or above current rates would cause further warming and induce many changes in the global climate system during the 21st Century..." We have an obligation to current and future generations to take meaningful action to reduce greenhouse gas emissions.

The economic recovery package included some key energy investments to begin to address these issues, and included:

- \$11 billion for a downpayment on modernizing the electrical grid;
- \$6.3 billion for local government energy efficiency and conservation grants;
- \$6 billion for renewable energy and transmission loan guarantees;
- \$5 billion for weatherization assistance;
- \$3.4 billion for carbon capture and sequestration technology;
- \$2.5 billion for energy efficiency and renewable energy research and development; and
- \$2 billion for advanced battery development.

President Obama's budget takes further steps. The budget includes \$26.3 billion in discretionary funding for the Department of Energy for 2010. The President's cap-and-trade proposal would reserve \$15 billion of revenue beginning in 2012 for clean energy technology. And the budget builds on investments in the economic recovery package by: increasing support for solar, biomass, wind, and geothermal energy; advancing development of low carbon coal sequestration; investing in transmission infrastructure to improve energy efficiency and reliability; and, providing significant increases for basic research and science.

We look forward to hearing more details from Secretary Chu.

Despite these advances in energy policy and new commitments of funding to energy, it is clear this is going to require a sustained effort for years to come. Here was a headline in the *Washington Post* just last month: "Alternative Energy Still Facing Headwinds: Despite Obama's Support, Projects Tripped Up by Financing, Logistics." So we know addressing our addiction to foreign oil and global climate change will not come easily. But it must be done.

### Closing Statement

In terms of climate change, I think it is very important for the administration to understand what I am hearing. You know, I reported yesterday some of what I had been hearing, and I know it discomforts some in the administration to hear that the budget as is, in my judgement, just as it has been written, probably can't pass here. I say that because I have colleagues coming to me every day saying to me, "If this is in, don't count on my vote."

One of the things that a group of colleagues has come to me about is with respect to the auctions, and a concern that there are insufficient resources to offset effects on consumers and companies that are very adversely affected. And I know we had yesterday the head of Office of Management and Budget who told us that he's got grave concerns to having some allocations. I just say to you, in terms of getting something passed here – not an academic exercise but a real world practical politics exercise – in terms of getting something passed, there is going to have to be flexibility on how the funds are used. The notion that very adversely effected companies are not going to be given any help – this is not my opinion, just my observation based on colleagues coming to me – and so it is very, very important that we have flexibility and that we work together to try to resolve things to get a result because it would be an utterly empty exercise around here not to get the votes to actually pass things, pass things that will make a difference for our country.

